

## Message Text

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ACTION EB-11

INFO OCT-01 ARA-16 ISO-00 STR-08 FEA-02 AGR-20 CEA-02

CIAE-00 COME-00 DODE-00 FRB-03 H-03 INR-11 INT-08

L-03 LAB-06 NSAE-00 NSC-07 PA-04 RSC-01 AID-20

CIEP-03 SS-20 TAR-02 TRSE-00 USIA-15 PRS-01 SP-03

OMB-01 SWF-02 DRC-01 /174 W  
----- 051134

R 061430Z SEP 74

FM AMEMBASSY SANTO DOMINGO

TO SECSTATE WASHDC 1403

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E.O. 11652: N/A

TAGS: ETRD, DR

SUBJECT: PERICHE'S COMMENTS ON TRADE DIFFICULTIES WITH PUERTO RICO

REF: A. STATE 187430

B. SD 3432

C. STATE 184504

1. PERICHE'S COMMENTS IN WASHINGTON ON THE DR'S TRADE DIFFICULTIES WITH PUERTO RICO REPORTED REFTEL A. ARE ALONG LINES OF SIMILAR COMMENTS HE HAS RECENTLY BEEN MAKING TO EMBOFFS EXCEPT THAT HE HAS NOT REPEAT NOT GONE SO FAR HERE AS TO THREATEN TO TAKE PROBLEM TO THE GATT. DR'S COMPLIMENTARY TRADE AGREEMENT WITH PUERTO RICO HAS HAD LONG AND CHECKERED HISTORY SINCE WE FIRST AUTHORIZED AGREEMENT IN 1967 WITH EXCHANGE OF LETTERS AMONG PRESIDENT JOHNSON, PRESIDENT BALAGUER, AND PUERTO RICAN GOVERNOR ROBERTO SANCHEZ.

2. AGREEMENT CALLED FOR DR TO SUPPLY GROWING PUERTO RICAN GAP IN PRODUCTION AND CONSUMPTION OF FRESH FRUITS AND VEGETABLES, WITH PUERTO RICAN GOVERNMENT DETERMINING WHAT THE GAP WAS.

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3. IN 1970 A NUMBER OF PUERTO RICAN FARM LEADERS VOICED OUTSPOKEN CRITICISM OF WHAT THEY TERMED EXCESSIVE VOLUME OF DOMINICAN AGRICULTURAL IMPORTS. DOMINICANS SUCH AS PERICHE CLAIM THEY WERE QUOTE TAKEN UNQUOTE BY SHARP PUERTO RICANS WHO HAVE USED NON-TARIFF BARRIERS SUCH AS CITED IN REFTEL A. TO VITIATE AGREEMENT IN THE CAUSE OF PROTECTIONISM.

4. THERE WERE ALSO APPARENTLY SOME CASES OF USDA OFFICIALS' REJECTING DOMINICAN FRUITS AND VEGETABLES AT PUERTO RICAN PORT OF ENTRY. THE GODR ASKED FOR FULL-TIME USDA OFFICIAL IN THE DR TO MAKE PRE-SHIPMENT INSPECTIONS, BUT APPARENTLY USDA HAS NEVER FELT THE VOLUME JUSTIFIED COMPLIANCE WITH REQUEST. WHEN USDA REPRESENTATIVE TRAVELED TO DR TO DISCUSS SHIPMENTS TO PUERTO RICO, PERICHE WAS OUT OF THE COUNTRY.

5. DOMINICANS REPORTEDLY WERE AT TIMES REMISS IN NOT REPEAT NOT GIVING PRIOR NOTICE OR SUFFICIENTLY ADVANCE NOTICE IN MAKING SHIPMENTS TO PUERTO RICO. THERE MAY ALSO HAVE BEEN CASES WHERE PUERTO RICANS EITHER DELIBERATELY HELD UP SHIPMENTS OR CLAIMED A CERTAIN AMOUNT OF SPOILAGE IN ORDER TO JUSTIFY LOWER PAYMENT.

6. A DOMINICAN/PUERTO RICAN COMMISSION WAS CREATED SOME TIME AGO TO TREAT MUTUAL TRADE INTERESTS AND PROBLEMS. PERICHE, ALONG WITH TECHNICAL SECRETARY IN THE PRESIDENCY, AND THE SECRETARIES OF STATE FOR FOREIGN AFFAIRS, INDUSTRY AND COMMERCE AND LABOR, MAKE UP DOMINICAN REPRESENTATIVES ON COMMISSION. THE ORGANIZATION, HOWEVER, SEEMS TO BE ALMOST ENTIRELY MORIBUND AND DOES NOT REPEAT NOT APPEAR TO HAVE MET WITHIN LAST YEAR.

7. AS REPORTED REFTEL B., PUERTO RICAN GOVERNOR HERNANDEZ COLON ISSUED PUBLIC STATEMENT WHEN HERE THREE WEEKS AGO FOR BALAGUER'S RE-INAUGURATION SAYING HE CONSIDERED COMPLIMENTARY AGRICULTURE AGREEMENT SHOULD BE REVISED. IT IS NOT REPEAT NOT CLEAR, HOWEVER, HOW MUCH PROBLEM IS WITH AGREEMENT OR WITH IMPLEMENTATION OF IT.

8. EMBASSY HAS ASSUMED THIS SUBJECT WOULD BE EXPLORED SEPTEMBER 10 - 14 DURING VISIT OF PUERTO RICAN TRADE GROUP REPORTED REFTEL C. JUDGING, HOWEVER, FROM PRESS ACCOUNTS AND FROM COMMENTS RECEIVED LIMITED OFFICIAL USE

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FROM DOMINICAN SECRETARY OF INDUSTRY AND COMMERCE AND LOCAL REPRESENTATIVE OF PUERTO RICAN DEPT OF COMMERCE, PUERTO RICANS NEXT WEEK WILL BE FOCUSING ALMOST EXCLUSIVELY ON THE PROMOTION OF PUERTO RICAN SALES OF MANUFACTURED ITEMS TO THE DR. VISIT SHOULD, NEVERTHELESS, PREPARE WAY FOR GODR TO ADVANCE ITS OWN TRADE CONSIDERATIONS.

9. EMBASSY IS CONTINUING TO EXPLORE SITUATION, AND THE

AMBASSADOR, PERHAPS ACCOMPANIED BY USAID DIRECTOR AND  
ECONOMIC COUNSELOR, HOPES TO WORK IN TRIP TO SAN JUAN TO  
SEE GOVERNOR HERNANDEZ COLON (AT GOVERNOR'S WRITTEN REQUEST,  
RECENTLY RECEIVED) AND OTHERS AFTER PUERTO RICAN TRADE DELEGATION  
HAS RETURNED HOME.  
HURWITCH

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** FRUIT, TRADE PROTECTIONISM, NONTARIFF BARRIERS, GENERALIZED PREFERENCES (TARIFFS), TRADE COMPLAINTS, TRADE AGREEMENTS, FOREIGN POLICY POSITION, VEG ETABLES  
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**Copy:** SINGLE  
**Draft Date:** 06 SEP 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** shawdg  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**To:** STATE  
**Type:** TE  
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